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DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON 25, D. C.

#190

REPLY TO:

Auditor General
Comptroller, USAF
Hq Western District
1206 Maple Avenue (Room 916)
Los Angeles 15, California

4 August 1958

SUBJECT: Supplement to Report on Accounting Review of Redetermination Proposal Covering Item 1 under Appendix II, Contract FL-3011 (Terminated 21 August 1957)
Westinghouse Electric Corporation, Air Arm Division
Baltimore, Maryland

REF: Document #19086, 5 September 1957, and Basic Report, 25 February 1958 (#95)

TO: Contracting Officer

1. Purpose of Supplement to Report: The purpose is to give effect to information obtained subsequent to the initial audit. The general and administrative expense rate for 1956 utilized in basic report was 12%. The final rate for 1956 subsequently negotiated was 11%. There was also a minor credit adjustment to direct costs.

2. Results of Audit as Revised: The results of audit as revised are set forth in attached Exhibit A. Of total costs of $73,253 in contractor's proposal, the amount recommended for acceptance is $69,878.

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Exhibit A

Project Supervisor
Western District
Auditor General

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Exhibit A

Westinghouse Electric Corporation - Air Arm Division
Baltimore, Maryland

Supplement to Report on Accounting Review of Redetermination Proposal
Contract FL-3011, Item 1 under Appendix II

Summary of Examination of Costs

	Per Basic Report	Per Supplement to Report
Amount of Contractor's Proposal before Adding Fee:		61734
Costs before application of G&A Expense	$ 62,609	$ 62,609
G&A Expense @ 17%	10,644	10,644
Total	$ 73,253	$ 73,253
Questioned Costs:		
Costs which contractor acknowledges as pertaining to Item 2 and wishes to withdraw from proposal -	$ 847	$ 847
Credit to costs subsequent to audit -		28
General and Administrative Expense:		
Amount applicable to above questioned costs at contractor's proposed rate of 17% -	144	149
Difference between proposed rate of 17% and auditor's 1956 rate of 11% (12% in basic report):		
5% x 1956 costs of $27,920	1,396	
6% x 1956 costs of $27,920		1,675
Difference between proposed rate of 17% and auditor's rate for 1957 of 15%:		
2% x 1957 costs of $33,842	677	
2% x 1957 revised costs of $33,814		676
Total Questioned Costs	$ 3,064	$ 3,375
Accepted Costs	$ 70,189	$69,878

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